

TSP Open Season

October 15 – December 31, 2002

United We Save



FERS and CSRS
Employees

The Thrift Savings Plan is a voluntary retirement savings and investment plan for FERS (Federal Employees' Retirement System) and CSRS (Civil Service Retirement System) employees and for members of the uniformed services. The purpose of the TSP is to provide retirement income. A major advantage of the TSP is that you pay no taxes on contributions or earnings until you withdraw your account.

If you are covered by FERS, you can contribute your own money as soon as you are hired. You can also start or change your contributions during an open season. This open season you can elect to contribute up to 13% of your basic pay each pay period (beginning in December 2002), up to the Internal Revenue Service (IRS) annual limit (\$11,000 for 2002; \$12,000 for 2003).

As soon as you are eligible for agency contributions, your agency will automatically contribute an amount equal to 1% of your basic pay each pay period, whether you contribute or not. If you are contributing, your agency will match your contributions:

- dollar-for-dollar on the first 3% you contribute each pay period, and
- 50 cents on the dollar for the next 2% you contribute.

FERS employees hired before January 1, 2002, are already eligible for agency contributions.

If you were hired:	Your agency contributions will begin:
January 1, 2002 – June 30, 2002	First full pay period in December 2002
July 1, 2002 – November 30, 2002	First full pay period in June 2003
December 1, 2002 – May 31, 2003	First full pay period in December 2003

If you are a rehired FERS employee, or if you have questions about your eligibility for agency contributions, contact your personnel office.

If you are covered by CSRS, you can contribute up to 8% of your basic pay each pay period (beginning in December 2002), up to the IRS annual limit (\$11,000 for 2002; \$12,000 for 2003). You do not receive any agency contributions.

The TSP open season is your chance to start or change the amount of your contributions to your TSP account.

Ask your personnel office for the TSP Election Form (TSP-1) or download a copy from the Forms & Publications section of the TSP Web site, www.tsp.gov. (Some agencies may be using an electronic version of Form TSP-1. Check with your personnel office for guidance.) Submit your election (either electronically or on paper) to your agency before the end of the open season. Your contributions will be made automatically from your pay each pay period, as explained on the back of Form TSP-1.

You can choose among five investment funds:

- **Government Securities Investment (G) Fund** — invested in short-term, risk-free U.S. Treasury securities that are specially issued to the TSP
- **Fixed Income Index Investment (F) Fund** — invested in a bond index fund that tracks the Lehman Brothers U.S. Aggregate (LBA) bond index
- **Common Stock Index Investment (C) Fund** — invested in a stock index fund that tracks the Standard & Poor's (S&P) 500 stock index (which comprises large companies)

- **Small Capitalization Stock Index Investment (S) Fund** — invested in a stock index fund that tracks the Wilshire 4500 stock index (which comprises small and medium companies)
- **International Stock Index Investment (I) Fund** — invested in a stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index (which comprises stocks in 21 countries)

You may choose or change your investments in the following ways:

- **Contribution allocation** — specifies the way in which all new money coming into your account (payroll contributions, loan payments, transfers and rollovers from other retirement plans) is invested in the funds. It does not affect the investment of your current balance.
- **Interfund transfer** — redistributes the money already in your account. It does not affect the investment of future contributions.

You may make your contribution allocation or interfund transfer at any time using:

- the **TSP Web site** (www.tsp.gov)
- the **ThriftLine** (504-255-8777)
- **Form TSP-50, Investment Allocation**

The Web site and the ThriftLine are the most efficient ways to make your investment allocation. You will need your Social Security number and your TSP Personal Identification Number (PIN) to make your request. If you are a new participant, you will receive a PIN in the mail after your account is established. Because your PIN is encrypted, if you lose or forget it, you will have to request a new one.

The annual rates of return (net earnings after expenses) for the G, F, C, S, and I Funds are shown below.

Year	G Fund	F Fund	C Fund
1992	7.2%	7.2%	7.7%
1993	6.1%	9.5%	10.1%
1994	7.2%	−3.0%	1.3%
1995	7.0%	18.3%	37.4%
1996	6.8%	3.7%	22.8%
1997	6.8%	9.6%	33.2%
1998	5.7%	8.7%	28.4%
1999	6.0%	−0.8%	21.0%
2000	6.4%	11.7%	−9.1%
2001	5.4%	8.6%	−11.9%
1992 – 2001 compound annual rates of return	6.5%	7.2%	12.9%

Year	S Fund*	I Fund*
1992	11.9%	−12.2%
1993	14.6%	32.7%
1994	−2.7%	7.8%
1995	33.5%	11.3%
1996	17.2%	6.1%
1997	25.7%	1.5%
1998	8.6%	20.1%
1999	35.5%	26.7%
2000	−15.8%	−14.2%
2001	−9.0%	−21.9%
1992 – 2001 compound annual rates of return	10.7%	4.4%

* The S and I Funds were implemented in May 2001. The S Fund tracks the Wilshire 4500 stock index. The I Fund tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) stock index. The returns shown reflect the actual performance of the S and I Funds for May through December 2001 and the returns of the Wilshire 4500 and EAFE indexes (without deduction of any administrative expenses, trading costs, or investment management fees), respectively, for the first four months of 2001 and for prior years.

There is no guarantee that future rates of return will replicate historical rates. There is risk of investment loss in the F, C, S, and I Funds.

TSP returns are calculated monthly. You can get the most recent returns by visiting the TSP Web site at www.tsp.gov or by calling the TSP ThriftLine at (504) 255-8777.

More information about the TSP is available from your personnel office. Ask for the *Summary of the Thrift Savings Plan for Federal Employees*. Be sure to review the information in the Plan Summary before you make any TSP decisions. If you want more detailed information on the TSP investment funds, ask for the *Guide to TSP Investments*. You can also get information and materials from the TSP Web site.

There are restrictions on withdrawing your money while you are employed; however, the TSP loan program can give you access to money that you have contributed. Also, in-service withdrawals are available under certain circumstances. Read the Plan Summary for details.

Reminder to TSP participants: If your address has changed, contact your agency immediately to correct your TSP account records.

